

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-1742/1 **Introduction Number AB-237**

Subject
Modify ethonal subsidy program

Fiscal Effect

State:

No State Fiscal Effect

Indeterminate

Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget

Decrease Existing Appropriations Decrease Existing Revenues Yes No

Create New Appropriations Decrease Costs

Local:

No Local Government Costs

Indeterminate

1. Increase Costs 3. Increase Revenue

Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue

Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities

Counties Others

School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.115(1)(d) for Aids, 20.115(1)(a) for admin.

Agency/Prepared By DATCP/ Barb Knapp (608) 224-4746	Authorized Signature Barb Knapp (608) 224-4746	Date 3/28/01
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Fiscal Estimate Narratives

DATCP 3/29/01

LRB Number 01-1742/1	Introduction Number AB-237	Estimate Type Original
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Assumptions Used in Arriving at Fiscal Estimate

This bill would make the appropriation for aids payments to ethanol producers a sum sufficient appropriation, in effect increasing the appropriation.

Administration of this program, either with or without the changes presented in this bill, involves some minor costs to DATCP. DATCP staff may need to audit the applications for truthfulness and accuracy, but the time commitment for each individual ethanol producer should be small enough to absorb into the department's general duties.

Under current law, DATCP expects that initially a limited number of ethanol producers will take advantage of this program. However, if this bill is enacted, it may induce additional investment in the ethanol production industry. In turn, DATCP would have to commit additional time to this program.

Long-Range Fiscal Implications

Potential ethanol plants are in Monroe, Elba, Stanley, La Crosse, Oshkosh, and Menomonie.

At this time, the expectation is for the following:

In 2002, one plant would begin production, with payments of \$8,000,000 in 2003.
In 2003, two plants would begin production, with payments of \$11,000,000 in 2004.
In 2004, three plants would begin production, with payments of \$10,000,000 in 2005.

The assumption is that the Aids payments would be paid after one year of production.

The costs shown in the fiscal estimate worksheet are the annual Aids and state operations costs for the next biennium. Total aids paid after all the plants listed above have gone into production is estimated at \$29,000,000. This is based on one year of payments per plant.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Modify ethonal subsidy program			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$1,000	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations		8,000,000	
TOTAL State Costs by Category		\$8,001,000	\$
B. State Costs by Source of Funds			
GPR		8,001,000	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$8,001,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	
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